



JENNIFER M. GRANHOLM  
GOVERNOR

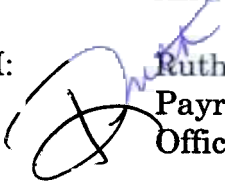
STATE OF MICHIGAN  
OFFICE OF THE STATE BUDGET  
LANSING

MARY A. LANNOYE  
DIRECTOR

December 6, 2005

**MEMORANDUM**

TO: Finance, Administrative, and Human Resource Officers  
All State Agencies

FROM:  Ruth Mealy, Director  
Payroll and Tax Reporting Division  
Office of Financial Management

SUBJECT: Social Security, Medicare, and Retirement Rates

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For calendar year 2006, the wage base for withholding social security has increased from \$90,000 to \$94,200. The attached table reflects this change. Social security, medicare and retirement rates have not changed since the table was issued on October 1, 2005.

All changes in the table will be effective with the January 12, 2006 pay date.

The current copy of this memo, attachments and future updates will be available on the Office of Financial Management's website under Policies & Procedures/Payroll Letters/Directives at <http://www.michigan.gov/ofm>.

Please refer any questions regarding this memo to Peter Woodford, Office of Financial Management, Payroll and Tax Reporting Division at (517) 335-3588.

Attachment

cc w/att: N. Duncan  
M. Moody  
L. Mester  
D. Ringler  
P. Lack  
P. Stoddard - ORS  
J. Winters - DCS  
T. Hall - OSE  
D. Pintacura  
J. Paxton  
J. Hallitt  
OSB Directors  
PTR Staff

**SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES**  
**January 1, 2006**

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
01	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	29.41%	37.06%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	29.41%	30.86%
02	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	43.63%	43.63%
03	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
04	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	26.80%	34.45%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	26.80%	28.25%
05	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
06	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
07	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
08	\$0 - \$94,200	6.20%	1.45%	3.50%	11.15%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	3.50%	4.95%	0.00%	1.45%	0.00%	1.45%
09	\$0 - \$94,200	6.20%	1.45%	9.00%	16.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	9.00%	10.45%	0.00%	1.45%	0.00%	1.45%
10	\$0 - \$94,200	6.20%	1.45%	1.50%	9.15%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	1.50%	2.95%	0.00%	1.45%	0.00%	1.45%
11	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%

**SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES**  
**January 1, 2006**

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
12	\$0 - \$94,200	6.20%	1.45%	5.00%	12.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	5.00%	6.45%	0.00%	1.45%	0.00%	1.45%
13	\$0 - \$94,200	6.20%	1.45%	3.58%	11.23%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	3.58%	5.03%	0.00%	1.45%	0.00%	1.45%
14	\$0 - \$94,200	6.20%	1.45%	8.36%	16.81%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	8.36%	9.81%	0.00%	1.45%	0.00%	1.45%
15	\$0 - \$94,200	6.20%	1.45%	8.38%	16.03%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	8.38%	9.83%	0.00%	1.45%	0.00%	1.45%
16	\$0 - \$94,200	6.20%	1.45%	3.59%	11.24%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	3.59%	5.04%	0.00%	1.45%	0.00%	1.45%
17	All	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	43.63%	45.08%
18	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	All	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	All	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%
24	\$0 - \$94,200	6.20%	1.45%	5.23%	12.88%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	5.23%	6.68%	0.00%	1.45%	0.00%	1.45%

**SOCIAL SECURITY, MEDICARE, AND RETIREMENT RATES**  
**January 1, 2006**

Rtmt. Code	Calendar Yr. Earnings	Employee Share				State Share			
		Social Security	Medicare	Retirement	Total	Social Security	Medicare	Retirement	Total
25	\$0 - \$4,200	6.20%	1.45%	3.00%	10.65%	6.20%	1.45%	0.00%	7.65%
	\$4,200 - \$94,200	6.20%	1.45%	5.00%	12.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	5.00%	6.45%	0.00%	1.45%	0.00%	1.45%
26	\$0 - \$94,200	6.20%	1.45%	0.00%	7.65%	6.20%	1.45%	33.57%	41.22%
	Over \$94,200	0.00%	1.45%	0.00%	1.45%	0.00%	1.45%	33.57%	35.02%
27	\$0 - \$94,200	6.20%	1.45%	7.00%	14.65%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	7.00%	8.45%	0.00%	1.45%	0.00%	1.45%
30	\$0 - \$94,200	6.20%	1.45%	13.50%	21.15%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	13.50%	14.95%	0.00%	1.45%	0.00%	1.45%
31	\$0 - \$94,200	6.20	1.45%	10.46%	18.11%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	10.46%	11.91%	0.00%	1.45%	0.00%	1.45%
32	\$0 - \$94,200	6.20	1.45%	10.40%	18.05%	6.20%	1.45%	0.00%	7.65%
	Over \$94,200	0.00%	1.45%	10.40%	11.85%	0.00%	1.45%	0.00%	1.45%
40	\$0 - \$94,200	6.20%	1.45%	Varies <sup>1</sup>	Varies 7.65%-10.65%	6.20%	1.45%	Varies <sup>2</sup>	Varies 24.15-27.15%
	Over \$94,200	0.00%	1.45%	0-3%		0.00%	1.45%	16.50 – 19.50%	17.95-20.95%
50	\$0 - \$94,200	6.20%	1.45%	Varies <sup>1</sup>	Varies 7.65%-10.65%	6.20%	1.45%	Varies <sup>3</sup>	Varies 11.65-14.65%
	Over \$94,200	0.00%	1.45%	0-3%		0.00%	1.45%	4-7%	5.45-8.45%
52	\$0 - \$94,200	6.20%	1.45%	Varies <sup>1</sup>	Varies 9.65%-12.65%	6.20%	1.45%	Varies <sup>3</sup>	Varies 11.65-14.65%
	Over \$94,200	0.00%	1.45%	2-5%		0.00%	1.45%	4-7%	5.45-8.45%
60	\$0 - \$94,200	6.20%	1.45%	Varies <sup>1</sup>	Varies 7.65%-10.65%	6.20%	1.45%	Varies <sup>3</sup>	Varies 11.65-14.65%
	Over \$94,200	0.00%	1.45%	0-3%		0.00%	1.45%	4-7%	5.45-8.45%

<sup>1</sup> Code DZ40 or DJ40 varies from 0.00% to 3.00%, depending on employee election.

<sup>2</sup> Includes mandatory state share (DZ4S) (4.00%), state match of optional employee share (DZ40) (0.00% to 3.00%), and state share for post-retirement health insurance benefits (RE40) (12.50%).

<sup>3</sup> The contribution for codes DZ4S & DJ4S is 4.0%. The contribution for codes DZ40 and DJ40 varies from 0.00% to 3.0%.